

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON HUMAN SERVICES**

**Call to Order:** By **CHAIRMAN BILL THOMAS**, on February 7, 2001 at 3:00 P.M., in Room 172 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. Bill Thomas, Chairman (R)  
Rep. Roy Brown, Vice Chairman (R)  
Rep. Trudi Schmidt, Vice Chairman (D)  
Rep. Tom Dell (D)  
Rep. John Esp (R)  
Rep. Tom Facey (D)  
Rep. Daniel Fuchs (R)  
Rep. Dennis Himmelberger (R)  
Rep. Larry Jent (D)  
Rep. Michelle Lee (D)  
Rep. Brad Newman (D)  
Rep. Mark Noennig (R)  
Rep. Holly Raser (D)  
Rep. Diane Rice (R)  
Rep. Rick Ripley (R)  
Rep. Clarice Schrumpf (R)  
Rep. James Whitaker (R)

**Members Excused:** Rep. Jim Shockley (R)

**Members Absent:** None.

**Staff Present:** David Niss, Legislative Branch  
Pati O'Reilly, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: HB 337, HB 237, HB 344,  
2/4/2001

Executive Action: HB 456, HB 324, HB 366

**HEARING ON HB 337**

**Sponsor:** REP. GARY FORRESTER, HD 16, Billings

**Proponents:** Briana Kerstein, Mt. People's Action  
Andrea Dahl, Missoula, Mt. People's Action  
Doreen Clark, Carroll College nursing student  
Brian Cameron, League of Women Voters  
Dave Henry, Billings, Mt. People's Action  
Jane Kane, Arlee, Indian People's Action  
John Meyers, Missoula, Mt. People's Action  
Julie Bunton, Missoula, Mt. People's Action  
Betty Whiting, Mt. Assn. of Churches  
Claudia Clifford, Insurance Commissioner's Office

**Opponents:** None

**Opening Statement by Sponsor:**

REP. GARY FORRESTER, HD 16, Billings said that the bill would increase the income guidelines on medicaid so that pregnant women and families up to 200 percent of the federal poverty level are eligible for affordable health insurance from the state, and it would simplify the enrollment process by removing the cumbersome assets test and require automatic enrollment for pregnant women and children if a family's income changes and they become eligible for a different program. *{Tape : 1; Side : A; Approx. Time Counter : 0 - 3.6; Comments : Sponsor's opening remarks were not all included on tape.}*

**Proponents' Testimony:**

Briana Kerstein, Mt. People's Action, distributed information covering most of the points in her oral testimony. This bill would expand both CHIP and medicaid to cover children and pregnant women in households up to 200 percent of poverty. If a family of four makes \$34,000 or less a year, they will qualify. It would also simplify the application process. Medicaid is the state's largest health care program, providing coverage to over 87,000 adults and children and to elderly, blind and disabled people. There is no cap on the number of people who can be on the program; as long as persons meet basic income and resource guidelines, they can get health insurance through medicaid. The children's health insurance program, or CHIP, was started in 1999 to provide coverage for some children in families who make too much to qualify for medicaid but who still can't afford private insurance. Montana contracts with Blue Cross/Blue Shield to provide most of the health services for CHIP. 9,500 children now have insurance through CHIP but there is

a waiting list. By expanding both CHIP and medicaid through this bill, Montana can maximize its federal dollars. The goal is to provide affordable health insurance for the greatest number of children at the lowest cost to the state. For every \$1 the state puts into medicaid, it receives \$3 from the federal government. For every \$1 put into CHIP, it receives \$4 from the federal government. She believes that the money Montana received through the tobacco settlement should go to health care, and many other states have already used the settlement money to help pay for health insurance for low-income kids. This bill is an investment in children, working families and small businesses. **EXHIBIT(huh31a01) EXHIBIT(huh31a02){Tape : 1; Side : A; Approx. Time Counter : 3.6 - 10.5}**

**Andrea Dahl, Mt. People's Action, Missoula,** supports the bill. **EXHIBIT(huh31a04) {Tape : 1; Side : A; Approx. Time Counter : 10.6 - 13.9}**

**Doreen Clark, Carroll College nursing student,** supports the bill. **EXHIBIT(huh31a03){Tape : 1; Side : A; Approx. Time Counter : 13.9 - 17.4}**

**Brian Cameron, League of Women Voters,** said Montana has a responsibility to look after our families that need it the most. The League also likes the simplification of the application process and procedures in the bill. It is a simple and straightforward measure to increase and enhance access. The League thinks it is a good bill, and they respect its intent and like the fiscal responsibility included in the bill by increasing CHIP and medicaid and taking our share from the federal contributions as well. **{Tape : 1; Side : A; Approx. Time Counter : 17.4 - 19.3}**

**Dave Henry, retired C.P.A., Mt. People's Action, Billings,** read testimony from Stacy Cline, M.P.A., Billings, in support of the bill. **{Tape : 1; Side : A; Approx. Time Counter : 19.3 - 22.3}**

**Jane Kane, Indian People's Action, Arlee,** a low-income single mother and grandmother who is raising some of her grandchildren, told about the problems of getting health care for herself and for her family. She supports the bill. **{Tape : 1; Side : A; Approx. Time Counter : 22.3 - 25.4}**

**John Meyers, Mt. People's Action, Missoula,** supports the bill, especially the portion that removes the assets test. Since it only relates to pregnant women and children, he doesn't think they would take advantage of the state. Removing the assets test would drastically reduce the size and the difficulty of the application. **{Tape : 1; Side : A; Approx. Time Counter : 25.4 - 27.9}**

**Julie Bunton, Mt. People's Action, Missoula,** said that she was unemployed at the time she gave birth to a daughter with a medical condition. Her daughter's medical costs have been high, and although her husband is employed, costs of health insurance premiums for the family became too high for them to afford. This bill helps both families and adults to keep their sanity and to keep them over the line so they either can or cannot get medicaid. Right now they barely meet the guidelines so her daughter does qualify for medicaid. CHIP is full so if her husband makes too much for them to meet the medicaid guidelines in the future, her daughter would have no more health insurance. **{Tape : 1; Side : A; Approx. Time Counter : 27.9 - 30}**

**Betty Whiting, Mt. Assn. of Churches,** said they are concerned about the numbers of Montana children who do not have adequate health care. They support health care systems that provide access to health care benefits, including primary and acute health care, dental, visual and hearing care, immunizations, early diagnostic and treatment programs, provider and customer education, programs of extended care and rehabilitation, mental health, and development of a wide range of family support services, activities and programs designed to promote total family well being. Children make up the most impoverished segment of society, and children with physical, mental or social disabilities should be given the special treatment, education and care required by their condition so they can develop to their full potential. **{Tape : 1; Side : B; Approx. Time Counter : 0 - 2.2}**

**Claudia Clifford, Office of the Insurance Commissioner,** said the Commissioner has been a strong supporter and proponent of the CHIP program. As they looked at Montana's high uninsured rate in the last couple of years and looked at strategies for addressing and reducing that rate, CHIP is a real key to that, so the legislature should take advantage of any opportunity they have to expand that program. **{Tape : 1; Side : B; Approx. Time Counter : 2.2 - 3.3}**

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**Rep. Dell** asked **Briana Kerstein** if the statistic on her handout that said among the 50 states, Montana ranks 30<sup>th</sup> in the percentage of uninsured children included CHIP, or do we rank better since the institution of CHIP. **Ms. Kerstein** said she believed the statistics were from 1999 prior to CHIP's reaching its maximum capacity. However, many other states have taken much greater strides than

Montana to cover many more children and families with insurance, so we probably are still much in the same place.

**Rep. Lee** asked **Mary Dalton, Bureau Chief for Medicaid and CHIP Services**, if this requires a waiver. **Ms. Dalton** said that she doesn't believe the bill as written requires a waiver. It talks about going up to 200 percent of poverty, and the fiscal note is written to say that we could go up to 185 percent. **Rep. Lee** asked if it would require a waiver if it is amended. **Ms. Dalton** said she had not been present to hear the amendment. **Karlene Grossberg** informed **Ms. Dalton** that the amendment was to add parents to the CHIP program. **Ms. Dalton** said it would make a difference whether it is medicaid or CHIP.

**Rep. Jent** asked **Ms. Kerstein** to summarize the way the federal match works. She said that the state puts up a portion of the money and the federal government puts up the rest to cover the costs. According to the fiscal note, the general fund amount of about \$3.5 million a year is what the state would have to put up, and the state would get approximately \$12 million a year from the federal government. She believes that the main source of the state's match should be the tobacco settlement money. As soon as the state puts up the money, the federal government will come in with their share.

**Rep. Schmidt** asked **Ms. Kerstein** to explain the statement on her handout that said "Montana is one of only 10 states that uses the minimum medicaid eligibility levels as follows." She said that in different federal programs there are different guidelines based on the age groups of the children. The federal guidelines say that at a minimal level, we must cover kids up to this income level, and the states who have medicaid programs cannot do anything less than that. For children up to age 6, it is about 133 percent of poverty, which is about \$18,000 per year for a family of three; for children between 6 and 17, their family can only make up to 100 percent of poverty, which is about \$16,000 a year for a family of three; and for children who are 18, they actually can only make about 40 percent of the poverty level. These are the minimum standards that are set by the federal government. But many states have expanded those and said they think kids of different age groups in families making more money should get health insurance. 200 percent of poverty is the most common number on the income guideline that now is seen across the country. **Rep. Schmidt** asked about Montana's rank at the current level, and **Ms. Kerstein** said it ranks 30<sup>th</sup>. **Rep. Schmidt** wondered how many states are doing it at 200 percent. **Ms. Kerstein** said she doesn't know about all of the states who are doing it, but Washington, Oregon, Minnesota, Wisconsin and Georgia are at 200 percent. New Jersey and Washington DC have raised their level to over 200 percent of poverty. She said she could obtain

more statistics on other states and provide the information to the committee.{Tape : 1; Side : B; Approx. Time Counter : 3.3 - 6.8}

**Closing by Sponsor:**

**Rep. Forrester** called the committee's attention to the fiscal note. He said he had not seen the amendments that would be offered but assumed that they would change the fiscal note. On the last page of the fiscal note, the section entitled "long range impacts" pretty much spells out what happens in the bill and how the bill is funded. Health insurance, not only just in the areas of medicaid and CHIPS, is kind of in a shambles, and this is one way we are attempting to address a small portion of what's wrong today. This won't solve all the problems but is a step in the right direction. As far as health care bills go, it's not a really large amount. His constituents had asked him to present and support this bill. The bill allows Montana to receive some federal help, and he urges support.{Tape : 1; Side : B; Approx. Time Counter : 6.8 - 14.6}

**HEARING ON HB 237**

**Sponsor:** REP. EILEEN CARNEY, HD 82, Libby

**Proponents:** Bud Clinch, Legacy Legislature  
Harry Smith, A.A.R.P.

**Opponents:** None

**Opening Statement by Sponsor:**

**REP. EILEEN CARNEY, HD 82, Libby,** said that this bill is an attempt to address the problem of elder abuse in our society. It establishes a voluntary registry for people who wish to work in people's homes taking care of these people in their own homes. People who wish to be included in this registry would volunteer to undergo a background check, which would include a fingerprint check, to see if they had any felonies or outstanding warrants or anything that might disqualify them from working in people's homes. She referred to the list of persons who had been denied certification on page 2, section 7 of the bill, and said the list would not be published, and the purpose of the list would be if somebody applied and they were not put on the registry, then if they applied again, the department wouldn't have to go through the whole process of doing the background check on them the second time. They'd already have on the list that the person had been disqualified at one point. People who are employed full time in home health care already undergo the same background check as the

bill requires. In Libby, the home health care people also maintain a list of people who would work part time for private individuals who need care. However, they don't have any information about these people. It would be advantageous to people who want to work as part-time home health care workers to be included on such a list. Persons who had undergone the background check would be more likely to get work than people who hadn't volunteered to undergo the check. She reviewed and explained the department's proposed amendments to the bill. **{Tape : 1; Side : B; Approx. Time Counter : 14.6 - 22.6}**

**Proponents' Testimony:**

**Bud Clinch, Legacy Legislature**, presented written testimony in support of the bill, which was ranked as the #1 priority bill in the 2000 Legacy Legislature. **EXHIBIT (huh31a05) EXHIBIT (huh31a06) {Tape : 1; Side : B; Approx. Time Counter : 22.6 - 30}**

**Harry Smith, A.A.R.P.**, said they support this bill, which goes a long way in making needy persons less vulnerable to human abuses. When we have people handling our money, we ask them to be bonded. The bonding process is a historical evaluation of past actions, crimes, and so forth. Why is it not sensible, then, for people who handle an asset far greater than money, our loved ones, to also undergo a background test, a historical test. We need to know if they have been subject to abusing, neglect, or criminal acts in the past. This is a good bill, and he hopes the committee will support it. **{Tape : 2; Side : A; Approx. Time Counter : 0 - 2.2}**

**Opponents' Testimony:** None

**Informational Testimony:** None

**Questions from Committee Members and Responses:**

**Rep. Fuchs** asked the sponsor about the amendments that were requested by the Department of Justice, which were substantial amendments, and why they came after the bill. **Rep. Carney** said she wasn't sure, because the drafter had checked with the Dept. of Public Health and Human Services as well as with the Dept. of Justice, and they had seemed to be comfortable with the bill. After it was introduced, they expressed concerns, which were worked out with the amendments.

**Rep. Esp** asked the sponsor if it was correct that she had stated that the list referred to on page 2, section 7, would not be published. **Rep. Carney** said that is true, and the list would just be a time-saving convenience for the department so a background

check would not have to be repeated for someone who was already on the list and applied again. **Rep. Esp** asked if folks who were trying to check up on somebody would know if they were on the list. **Rep. Carney** said they would know that the person had been checked if they were on the registry, but they would not know if the person had been denied.

**Rep. Fuchs** asked for the department representative to explain why they had waited until after the bill was introduced to offer amendments rather than including them in the original draft of the bill. **Joyce DeCunzo, Bureau Chief, Senior and Long-term Care Division, DPHHS**, said they've had a long interest in this bill. When the bill draft went to her department, they looked at it and felt comfortable with it. They had previously developed a bill that was somewhat similar that didn't make it through the process because of the fiscal note. After the bill went back to **Rep. Carney**, the department counsel looked at the bill and brought up significant concerns that the program people didn't catch. **Rep. Fuchs** asked if the amendments would cause additional costs, and **Ms. DeCunzo** said they did not expect any additional costs.

**Rep. Noennig** asked **Ms. DeCunzo** to explain why the amendment would strike "by request of the Department of Justice." She said that the bill was not at the request of either Dept. of Justice or DPHHS, but a Legacy Legislature request. The amendment was proposed to address the error. **Rep. Noennig** asked who had requested the amendments. **Ms. DeCunzo** said they were requested by the DPHHS counsel. **Rep. Noennig** expressed concern about some of the specific amendments and an apparent inconsistency between the immunity provisions. **Ms. DeCunzo** said she couldn't address that. Her understanding was that the department's legal counsel wanted the immunity provision because they were concerned that there could be some liability if someone were to say they didn't get a job because of the department. **Rep. Noennig** said he wasn't so sure that they could grant immunity from criminal prosecution and he suggested that she ask their counsel whether that is constitutional. **{Tape : 2; Side : A; Approx. Time Counter : 2.2 - 12.5}**

**Closing by Sponsor:**

**Rep. Carney** said that people, especially elderly people, do better psychologically and physically if they can stay in their own homes, but often it is very difficult for them to stay without someone to care for them. Because elder abuse is such a big problem in our society, it's very important to do whatever we can to protect people in their own homes when they need to have someone come in to take care of them. She hopes the committee would consider very



carefully the intent of this bill and what it can do for senior citizens. *{Tape : 2; Side : A; Approx. Time Counter : 12.5 - 14.5}*

**HEARING ON HB 344**

**Sponsor:** REP. NORMA BIXBY, HD 5, Lame Deer

**Proponents:** Wendy Young, WEEL

Sarah Cobler, Assoc. Students, U. of M., Missoula and  
U. of M-Western, Dillon

Christine Amundson, Nat. Assn. of Social Workers

Rebecca Moog, Mt. Women's Lobby

Patti Keebler, Mt. St. AFL-CIO

Helen Taffs, Helena

Inga Nelson, MEA-MFT

Rep. Carol Juneau, HD 85

Judy Smith, Missoula, WORD

**Opponents:** None

**Informational Witnesses:** Karlene Grossberg, Bureau Chief, Public  
Assistance Bureau, DPHHS

Linda Fillinger, Early Childhood  
Services Bureau Chief, DPHHS

**Opening Statement by Sponsor:**

REP. NORMA BIXBY, HD 5, Lame Deer, said that HB 344 will do two things, first, it will address the concern of FAIM recipients who wish to attend post-secondary education or vocational education in lieu of work; and, second, it will allow TANF participants to be able to utilize family members who live in the home for child care services. In 1996, the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) shifted its emphasis of federal policy to a work first approach. This made it very difficult for welfare recipients to pursue post-secondary education. To avoid financial penalties, states had to place an increasing portion of their caseload to work activities prescribed by statute. To be counted in approved work activities, a single parent had to be in work activities for at least 30 hours, and a two-parent family had to together put in at least 35 hours per week, or 55 hours for those receiving federally-funded child care. The department adopted a new welfare education policy, and that policy is to require families in education to also do 15 hours of other work activity. The employment hours as well as the allowable post-secondary hours may

be included on the recipient's family investment agreement. This bill is direction to not impose these extra work hours on families and continue the program as is. Currently out of the 4,600 families on assistance, approximately 337 individuals are participating in post-secondary education. Approximately 350 individuals are doing other education activities. Together this is only 687 out of the 4,600, or less than 14 percent of the current welfare caseload. To receive the federal money for TANF, Montana has to meet the federal work requirements. States can count education toward their work participation rate for 12 months, and for up to 30 percent of the caseload. After the first year, states can freely extend participation in post-secondary education as long as the state is otherwise meeting its work requirement participation rate. Montana has no problem in meeting the work requirements, and the small number of families pursuing education will not have a significant effect on meeting these requirements. As for child care, many of the welfare recipients have children who need child care services. Individuals who are legally unregistered providers for child care cannot live in the home and receive payment. People who are on state day care assistance often are working in non-traditional conditions, and their day care needs reflect this. To serve this population and keep them working, we need to make the necessary support available. An in-home relative who provides care should be able to be reimbursed with state assistance. The State of Montana needs to recognize the varying day care needs in rural Montana and to respect and respond to the culture of its American Indian families. One of the basic philosophies of FAIM is to strengthen family values. Changing the day care requirements to allow in-home relatives to qualify for reimbursement would be an excellent method for supporting this philosophy. It would also reinforce the role of the extended family as it shares responsibility for raising its members as well as insuring a healthy environment for the child. The change also works to increase child care availability. Supply is a major problem in rural Montana and on reservations. Some people do qualify for assistance but aren't able to utilize the service because there is a shortage of licensed day care facilities in their location, especially during non-traditional hours. Barriers need to be removed, and individuals need to have the options that best meet their families' needs and let them have some control over their lives. It is time to look at policy changes that will allow individuals to be successful and productive citizens of Montana. **EXHIBIT(huh31a07) EXHIBIT(huh31a08){Tape : 2; Side : A; Approx. Time Counter : 14.5 - 24.9}**

**Proponents' Testimony:**

**Wendy Young, WEEL**, said her organization represents people who are currently on welfare and those who have moved off welfare and are now considered the working poor. She said this bill deals with a

new policy by DPHHS, which is in their draft proposals, that states in order to be considered for post-secondary ed, to go to college, a person has to do an extra 15 hours a week of other work activities. It wasn't that way before, unless you needed child care, so this bill also deals with the child care associated with that. She is asking the committee to give guidance to DPHHS and express the legislative intent that we need to allow families to pursue education. This takes no general fund. The way the program works is that, when somebody decides they want to pursue education, they go to their caseworker and have an assessment done. The first step is to demonstrate how the person is capable of pursuing the education, that they've thought through it, thought of the barriers, thought of how the education would lead the person to self-sufficiency, and thought of how to pay for the education. This program doesn't pay for anybody's education; it just eliminates some of the barriers for families who want to pursue it. After the assessment, the family could enter school. What this bill says is to let school be their work activity while they are in school and provide them with child care. Montana has seen a drastic reduction in the welfare caseload. While many of these families are working, they are still living in poverty. Many states, including Montana, are starting to recognize that they need to help families obtain higher-paying jobs with benefits. She referred to a DPHHS handout that showed figures for a family of three with no income, a minimum wage part-time job, a minimum wage full-time job, or a full-time job that paid \$7.00 an hour. At \$7.00 an hour, the annual wages would be \$14,560, but if you add the earned income tax credit, medicaid, food stamps, child care and utility assistance, the family could make it above the poverty line. It would be great if when a family moved off welfare, they moved off permanently and without a need of other assistance. To do that, education is one of the best ways to move a family in that direction. FAIM has been labeled a "work first" program, and perhaps that works for some families, but for others it means years of receiving some type of assistance and then cycling on and off assistance. Education is a way that leads to permanently being off without having other needs met by public assistance. **EXHIBIT(huh31a09){Tape : 2; Side : A; Approx. Time Counter : 24.9 - 31.7}**

**Sarah Cobler, Associated Students, U. of Mt., Missoula and U. of Mt./Western, Dillon,** said they support any bill that would increase access and afford-ability to students, present or future. This bill encourages people on assistance to participate in higher education, and therefore move from dependency on the system to a higher state of independence. This type of proposal leads to a huge benefit to the state. In our new economy, information and knowledge drive economic growth and increase high-paying jobs. Education will be a gateway for persons now on assistance to enter the new economy and the high-paying jobs. Life-long education and training are central

themes of the new economy. Today 85 percent of all jobs require skilled labor. Right now, persons on public assistance are in a catch-22 situation. They don't have the education to receive these high-tech jobs in the new economy, so they can't get the high-paying jobs. If we invest in these citizens and give them the extra boost to get into the higher education system, the return rate back to the state will be huge. **{Tape : 2; Side : B; Approx. Time Counter : 0 - 2.6}**

**Christine Amundson, Nat. Assn. of Social Workers in Mt.,** is a senior in social work at Carroll College. She shared her personal success story and urged support of the bill. **EXHIBIT(huh31a10)**  
**{Tape : 2; Side : B; Approx. Time Counter : 2.6 - 8.4}**

**Rebecca Moog, Mt. Women's Lobby,** said that the key to getting off welfare and staying off is education. Going to school and raising children is hard enough without adding additional work requirements. Instead of work requirements, these recipients should be allowed to study for their classes and spend time with their children. Let's get rid of the barriers and give these Montana families access to education. MWL urges support of the bill. **{Tape : 2; Side : B; Approx. Time Counter : 8.4 - 9.1}**

**Patti Keebler, Mt. St. AFL-CIO,** said that on behalf of their 50,000 families, she offers support of the bill. It represents a realistic understanding of the type and quality of training necessary to be successful in today's job market. **{Tape : 2; Side : B; Approx. Time Counter : 9.1 - 9.9}**

**Helen Taffs, Helena, representing herself,** serves on the WEEL board of directors, and said that school is a full-time job. For every hour spent in class, two hours are spent outside of class in study and preparation activities. **{Tape : 2; Side : B; Approx. Time Counter : 9.9 - 10}**

**Inga Nelson, MEA-MFT,** said they support the bill. It encourages people to go to school and helps provide more access to education. **{Tape : 2; Side : B; Approx. Time Counter : 10 - 11.1}**

**Rep. Carol Juneau, HD 85,** said the Blackfeet Reservation has a high population of TANF participants. She serves on a local welfare reform committee. In many of their meetings and surveys, education, child care and transportation always came out as issues that are really needed. Education is a key to getting off welfare, strengthening the family, and making a better community. She encourages the committee to give the bill a do pass. **{Tape : 2; Side : B; Approx. Time Counter : 11.1 - 13.4}**

**Judy Smith, Missoula, WORD,** said she was part of the advisory committee that put together the FAIM package in the 1990's, and part of the discussion at that time was how important post-secondary education was to actually getting out of poverty in Montana. **EXHIBIT(huh31a11){Tape : 2; Side : B; Approx. Time Counter : 13.4 - 14}**

**Opponents' Testimony:** None

**Informational Testimony:**

**Karlene Grossberg, Bureau Chief, Public Assistance Bureau, DPHHS,** said her bureau administers the FAIM program, food stamps and medicaid. She said one can't argue the fact that further education is a strong avenue to work one's way out of poverty, but she wanted to let the committee know about some of the provisions in federal law. The Federal Welfare Reform Act of 1996 allowed that only 30 percent of the caseload could go to post-secondary or educational activities of any kind, and those are pretty limited to a 12-month vocational education program. Fortunately in Montana our waivers that were developed for the FAIM program allowed us to by-pass that law until the waivers expire in December of 2003. So in Montana, post-secondary education can be allowed as a work activity and is currently being allowed. When they went around the state and asked for input on the educational portion of the FAIM program, they heard pretty strongly that there needed to be some consistency throughout the state between communities as to the process that people went through to be approved in the post-secondary education line, and if they were approved in one city, they needed to be able to transport that approval to another city if they moved. The new component of their draft policy does require that participants also work 15 hours a week, but they have very broadly defined "work." It can be student teaching, a practicum, work study, or a number of different things that are not necessarily paid employment. The reason they incorporated the 15-hour work requirement into the plan was because the non-welfare child care requires that families work 15 hours if they are to have paid child care for their employment and post-secondary education, so they were trying to not make non-welfare child care less attractive than welfare child care. Under the current FAIM policy, if a participant is involved with the Tribal New program and going to college or with the previous JTPA program and going to college, that is their entire activity. When they try to decide who should work and who shouldn't work, it is sort of a balance between do they allow post-secondary education students not to have a work requirement while they are not allowing parents of disabled children, for example, to have a work requirement. It is a balance in public policy, and they are open to the direction the legislature gives them. **{Tape : 2; Side : B; Approx. Time Counter : 14 - 15.6}**

**Linda Fillinger, Early Childhood Services Bureau Chief, DPHHS,** said they administer the child care development fund block grant, which is available to pay for the child care services for families who are on FAIM or families who are working but are low income. Currently they do not pay family members or other members of households if they are living in the same house as the child. That was a policy decision that was made eight or nine years ago, before welfare reform came about. They do see problems with a shortage of infant care providers and providers of care for odd hours and weekends, and have been considering making a policy change. The other part of the legislation she wanted to speak to was the minimal health and safety requirements for child care providers who are unregulated, which would be the category for relative care providers. They currently allow relatives and friends to provide child care, but all providers must meet some minimal health and safety requirements. They must pass a criminal records and child protective services background check. They deny about 10 percent of the persons who apply. If relatives living in the home of the child don't pass background checks, there might be some liability if the department were to pay that provider and if the child were harmed in any way. The department has some concern over this. They also require that all unregulated providers attend a training session that talks about quality in child care, child development, and basic health and nutrition aspects. If this were to pass, there would be a consideration about whether relatives would be exempt from that requirement. **{Tape : 2; Side : B; Approx. Time Counter : 15.6 - 19}**

**Questions from Committee Members and Responses:**

**Rep. Lee** asked **Karlene Grossberg** to explain why they kept the 15-hour work requirement, and she responded that the non-welfare side of child care requires the 15-hour work requirement. They didn't feel it would be equitable if FAIM recipients had only school with no work requirement when folks who don't have access to that cash assistance program are required to work 15 hours. Studies have shown that college graduates with some work history seem to have an easier time gaining employment than those with no work history.

**Rep. Lee** asked if it was more of an equal protection issue or an equal access issue for the funding. **Ms. Grossberg** said it is more of an equity issue between the non-payment and FAIM sides and a policy and philosophy suggestion. **Rep. Lee** asked if it is purely philosophical on the part of the department. **Ms. Grossberg** said it is, for the most part, in addition to the research about the employability.

**Rep. Brown** asked **Wendy Young** about her testimony that there were no general fund dollars involved here, and yet the fiscal note shows some, and he wondered where she came up with that. She said

currently the department has \$15 million in maintenance of effort funds available, the funds that the state has to use to draw down the welfare dollars, and they have flexibility within those to deal with any kind of extra things like child care. These families are currently on assistance, so we aren't opening up and doing something different. We're just eliminating the work hours, so how it could cost more money doesn't make sense to her. **Rep. Brown** asked the same question of **Karlene Grossberg**, who said that her understanding was that the fiscal note was actually a child care and development fund cost and not a TANF or maintenance of effort cost on the welfare side. Currently children who are in the home of relatives are not paid for through the child care development fund, and the fiscal note addresses the additional cost to pay relatives in the home. **Rep. Brown** asked if the \$15 million of maintenance of effort funds could be used for this child care assistance.

**Ms. Grossberg** said she believed that the total cost in the fiscal note had something to do more with child care funds than it did with TANF. **Rep. Brown** said the fiscal note said \$97,000 of general fund money, so whether this is true or false is important to this bill and the committee needs to know where it's coming from if not from the general fund. **Ms. Fillinger** said that part of the funding for the child care and development fund block grant is a maintenance of effort requirement that is general fund. All of their general fund is spent on direct services to the TANF or the FAIM or the welfare families, and in that way, the department is able to double count that maintenance of effort money, both for the requirements of the child care and development fund block grant and also for the TANF block grant, so we can get double bang for our buck.

**Rep. Brown** asked **Ms. Fillinger** if he understands correctly that if we don't spend the maintenance of effort fund, then we not only don't save any money in the general fund but we also jeopardize other funds coming in. **Ms. Fillinger** said that is correct.

**Rep. Lee** asked if \$3.1 million maintenance of effort for child care was correct, and **Ms. Fillinger** said it is pretty close but she doesn't have the exact numbers in her head. **Rep. Lee** asked if it is correct that as part of Ms. Grossberg's and Mr. Hudson's program, we had to spend \$15 million in maintenance of effort. **Ms. Fillinger** said that is correct. **Rep. Lee** asked when we move maintenance of effort money for other applicable uses, can we backfill that money with the \$69 million in TANF money. **Ms. Fillinger** said she had no idea, and said that Ms. Grossberg was shaking her head no.

**Rep. Schmidt** said that what we are really doing is deciding on policy, and asked **Wendy Young** if this money would be used for child

care assistance for the people who have received grants to get their education. **Ms. Young** said there are two things going on with this bill. The first part says that the people receiving a cash grant can access education. It just eliminates the work requirements for education and provides access to day care. The second part of the bill allows people who are relatives living in the home to provide day care and be paid for it. So this is both a policy decision and a philosophical one.

**Rep. Facey** asked **Ms. Amundson** how much TANF money she got to attend Carroll College. She said she attended before they allowed much post-secondary education. She received food stamps and medicaid for her daughter, but she wasn't part of the FAIM project. **Rep. Facey** asked if she received any help from any government agency for her tuition. **Ms. Amundson** said she received Pell grants, Stafford loans, and was eligible for work study. She was treated like any other student applying for financial aid for putting herself through school, and she has to pay it back. **{Tape : 2; Side : B; Approx. Time Counter : 19 - 27.2}**

**Closing by Sponsor:**

**Rep. Bixby** said she had two additional hand-outs, one from the Center on Budget and Policy from Washington, DC, which talked about Montana's work participation, and the other discussing opportunities in post-secondary education. TANF money really isn't going to be affected with people going to post-secondary education in lieu of the work requirement. Regarding the fiscal note, it is her understanding that funding for the child care is federal dollars, not general fund, so there are some discrepancies in the fiscal note. She worked during the four years she was attending college, and her mother and grandmother took care of her four children in the home. She wouldn't have wanted a background check done on her mother and grandmother. People know their own relatives and whether they are capable of taking care of their children. Why not keep some of the child care money in the family and help the whole family. Economics and education go hand in hand. We need to make sure that these people get off the welfare rolls and become productive citizens. Going to school is a full-time job, and because you do the same things that you do on a job, it helps prepare you for the future. She urges a do pass on the bill. **{Tape : 2; Side : B; Approx. Time Counter : 27.2 - 29}**

**EXECUTIVE ACTION ON HB 456**

**Motion:** **REP. RASER** moved that **HB 456 DO PASS**. **{Tape : 2; Side : B; Approx. Time Counter : 29 - 29.1}**



**Motion:** REP. ESP moved that HB 456 BE AMENDED.

**Discussion:** Chairman Thomas reminded the committee that this is the breast and cervical cancer screening bill. The proposed amendment takes money from the income on the 40 percent of the tobacco money that is in the trust. Mr. Niss said his understanding was that the tobacco money was all allocated in the executive budget for provider rate increases. Rep. Facey wondered how much the interest income from the tobacco settlement would be for the first year. Rep. Schmidt said it is \$1.5 million in 2002. Although the money has been allocated, the Appropriations Committee will make the final decisions, so this bill would go into the hopper with the others. Rep. Noennig said he thought that there was in the budget a certain amount of money unallocated from the tobacco trust fund. Mr. Niss said what we are talking about here is the interest income, and it has all been allocated in the executive budget. Rep. Esp said it was his understanding that the principal in the tobacco trust can be spent on a 2/3 vote of both houses, and that was his suggestion to the sponsor but she wanted to try this bill first. Rep. Raser said it is the job of the legislature to set policy to direct how they think money should be spent, so the committee is deciding whether or not they think this bill is good policy. Rep. Noennig said he is always conflicted about this issue, because the policy and the spending can't be totally separated. The proposed amendment doesn't decide policy, it decides where the money is going to come from. Rep. Lee said that the unallocated interest to date is \$1.5 million. {Tape : 2; Side : B; Approx. Time Counter : 29.1 - 30}{Tape : 3; Side : A; Approx. Time Counter : 0 - 4.7}

**Motion/Vote:** REP. ESP moved that HB 456 BE AMENDED. Motion carried 14-2 with Brown and Rice voting no.

**Motion/Vote:** REP. RASER moved that HB 456 DO PASS AS AMENDED. Motion carried 13-4 with Brown, Esp, Himmelberger, and Rice voting no, and Whitaker excused. {Tape : 3; Side : A; Approx. Time Counter : 0 - 4.7}

#### **EXECUTIVE ACTION ON HB 324**

**Motion:** REP. DELL moved that HB 324 DO PASS. {Tape : 3; Side : A; Approx. Time Counter : 4.7 - 7.1}

**Motion:** REP. BROWN moved that HB 324 BE AMENDED.

**Discussion:** Rep. Brown explained that his amendment addressed the problem of persons who have children dropped into day care on an irregular basis, such as the grandmother who cares for children occasionally. Rep. Noennig asked how this amendment compares to

what the sponsor's proposed amendment would do. **Mr. Niss** explained the amendments. Rep. Brown's amendment to require a minimum of 13 children being cared for by the center before the restrictions would apply, applies the same number to both regular day care facilities and irregular or drop-in facilities, which haven't previously been licensed. The amendment would subject both regular and irregular day care to the licensing requirements at the same number of children attending. The sponsor's amendment would address both regular and irregular facilities, but would start the irregular facility at a lower number of children attending, seven children. It would leave the current requirement of thirteen children applicable only to regular day care. Question was called for.

**Motion/Vote:** REP. BROWN moved that HB 324 BE AMENDED. Motion carried 15-2 with Facey and Lee voting no.{Tape : 3; Side : A; Approx. Time Counter : 7.1 - 18.4}

**Motion:** REP. FACEY moved that HB 324 BE AMENDED.

**Discussion:** This amendment was proposed by the bill's sponsor, Rep. Mangan. If it passed, Mr. Niss would combine it with the amendment that was just passed. **Linda Fillinger** explained that a child care center has 13 or more children, group day care has up to 12 children, and a family day care home has six children with an overlap capacity of a couple of kids. The proposed amendment might conflict with existing definitions. Rep. Dell called for the question.

**Motion/Vote:** REP. FACEY moved that HB 324 BE AMENDED. Motion failed 3-14 with Facey, Lee, and Raser voting aye.{Tape : 3; Side : A; Approx. Time Counter : 18.4 - 22.7}

**Motion/Vote:** REP. NOENNIG moved that HB 324 DO PASS AS AMENDED.

**Discussion:** Ms. Fillinger explained that if a person cares for seven children on a regular basis, they would have to be regulated by state law. If you're a family day care home, you're doing the care in a home. If you're doing it out of the home, you're more into the child care center requirements, where they can watch fewer than 13 children. If you watch children on a regular basis, you have to be regulated somehow. It is the irregular care that is the problem. Presently there is no regulation at all for irregular day care. If the bill is passed, facilities caring for 13 children on an irregular basis are considered centers and are required to be licensed. The facilities would then have to meet basic health and safety requirements. If drop-in centers aren't licensed, then state paid families can't use them for back-up child care, because the

state requires all facilities to be regulated before they will pay.  
**Rep. Dell** called for the question.

**Motion/Vote:** REP. NOENNIG moved that HB 324 DO PASS AS AMENDED. Motion carried 14-3 with Esp, Fuchs, and Ripley voting no, and Whitaker excused. {Tape : 3; Side : A; Approx. Time Counter : 22.7 - 28}

**EXECUTIVE ACTION ON HB 366**

**Motion:** REP. LEE moved that HB 366 DO PASS.

**Discussion:** Motion and discussion are not included on tape. **Rep. Jent** called for the question.

**Motion/Vote:** REP. LEE moved that HB 366 DO PASS. Motion failed 6-11 with Facey, Jent, Lee, Newman, Raser, and Schmidt voting aye, and Whitaker excused. {Tape : 3; Side : A; Approx. Time Counter : 28 - 30}

**Motion:** REP. SCHMIDT moved that HB 366 BE TABLED. Rep. Schmidt withdrew her motion.

**Motion/Vote:** REP. SCHMIDT moved that HB 366 BE TABLED. Motion carried unanimously, 17-0. {Tape : 3; Side : B; Approx. Time Counter : 0 - 5}

**ADJOURNMENT**

Adjournment: 5:55 P.M.

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REP. BILL THOMAS, Chairman

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PATI O'REILLY, Secretary

BT/PO/JB

Jan Brown transcribed these minutes

**EXHIBIT (huh31aad)**